
Security, Stability, Prosperity: Engaging the Eurasian Front-Line States

By

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I am pleased to be here today and to have this opportunity to discuss our policy toward Central Asia and the Caucasus with such a distinguished audience. I would like to congratulate the organizers on the timing of the conference: One year after September 11, 2001, is obviously a time to take stock. This is also the 10th year of independence for the countries of the former Soviet Union and, as some of you will recall, just over five years after Strobe [Talbot] laid out the first comprehensive U.S. government policy toward the Caucasus and Central Asia in his famous “Farewell to Flashman” speech.

It is important to note the significant areas of continuity in U.S. policy. We worked very hard in the first nine-plus years of our relationships with the new countries of Central Asia and the Caucasus to improve the economic and political lot of their peoples, to establish solid ties with their governments, and to support their newly-acquired independence. Our policy has accomplished a great deal over the past decade. Of particular importance has been our effort to eliminate weapons of mass destruction from the region from President Nazarbayev’s wise decision to rid Kazakhstan of nuclear weapons to our continuing efforts to clean up old Soviet biological weapons (BW) facilities on Vozrozhdeniye Island. The strategic vision that drove this policy in Congress and the administration along with its funding and implementation is all the more impressive now that we find ourselves in an era of sophisticated terrorists seeking to use weapons of mass destruction against the United States.

The immediate provision of humanitarian aid in the aftermath of the Soviet Union’s collapse saved many lives as the general domestic product (GDP) of these countries dropped precipitously with the loss of markets and the destructive wars in the Caucasus and Tajikistan. Our economic advice and steady pressure for economic reforms have helped advance the long process of recovery as well as the beginnings of new development in these countries. Progress in Kazakhstan and Kyrgyzstan was particularly impressive in the early years. The multiple pipelines strategy in which, by the way, is anti-monopoly, not anti-Russian has been carefully nurtured throughout this period. The U.S. was actively involved with the early oil pipeline from Baku to Novorossiysk of 1997, the Baku-Supsa pipeline of 1999, and the Caspian Pipeline Consortium project that was completed last year.

Our effort to make the East-West energy corridor a reality took a giant stride forward two days ago (September 18) with the inaugural ceremony in Baku for the Baku-Tbilisi-Ceyhan pipeline (BTC) which Secretary of Energy Spencer Abraham attended. Turkey will hold a similar event in Ceyhan on September 26. That million-barrel-per-day oil pipeline is scheduled for completion in 2005, and a parallel Shah Deniz gas pipeline is in the planning stage. Our pipeline policy seeks to enhance global energy security by ensuring reliable flows of gas and oil to global markets, unfettered by geographic choke-points such as the Bosphorus and the Straits of Hormuz. By doing so, projects like BTC help ensure that Caspian oil can stabilize oil prices at the margins, thereby serving as a hedge against OPEC efforts to manipulate oil prices. A large portion of American

assistance over the years has gone into building civil society in these former Soviet lands. Our success in developing the basis for responsible, modern nationhood in these countries has been considerable, if uneven. Georgia and Kyrgyzstan have vibrant civil societies, Turkmenistan still attempts to suppress most non-governmental activity, and the other countries lie somewhere in between. None of the countries has an exemplary record on human rights or democracy issues, and, in fact, the record of some remains quite bad. Nevertheless, there has been movement forward in almost all of the countries.

Between 1992 and this September, the United States spent nearly five and a half billion dollars in support for these efforts including \$2.5 billion in humanitarian assistance, over \$1 billion on economic and market reforms, \$700 million for security assistance, over \$600 million on democratic reform, and nearly \$600 million on projects such as health, natural resource management, education, and community development. However, most observers viewing the region in mid-2001 could only rate the pace of overall political and economic reform in Central Asia and the Caucasus as slow at best. The GDP of all the countries remained near or below the level of a decade before, truly democratic governments were only a distant dream, conflicts remained unresolved in the Caucasus, and the threat of militant Islam led by the Islamic Movement of Uzbekistan (IMU) cast a shadow over the Central Asian landscape. Indeed, some of the countries in the region looked to be potential candidates for “failed state” status in the not-too-distant future.

After the terrible events of September 11, 2001, last year, a consensus developed quickly in Washington that we needed to break the back of al Qaeda and its Taliban patrons in Afghanistan before they could carry out further attacks against the United States. This required the support of all the countries of the region for the global anti-terrorism effort and bases in Central Asia to prosecute the war in Afghanistan. It was equally clear that we needed to ensure that al Qaeda, the IMU, or similar groups would not find fertile ground for bases in other regional failed states to attack our country. We recognized that this would be much more difficult than prosecuting the war and required long-term solutions. It demanded a more comprehensive approach to address the factors creating vulnerabilities in Central Asia and the Caucasus. Let me go into a bit more detail on Central Asia. It has become a cliché, but nevertheless remains very true, that the countries of Central Asia ceased being a backwater of U.S. strategic interests on that fateful day a year ago. They instead became front-line states in our global war against terrorism. Soon after September 11, 2001, all of the governments in the region offered generous assistance in prosecuting the war. Uzbekistan was the first to offer bases, but the others were quick to join the coalition and put facilities and air space at its service, especially after President Putin changed the initial Russian alarm at our presence into support.

Uzbekistan and Tajikistan played central roles as staging areas for our crucial early operations with the Northern Alliance. You may remember that the bombing campaign began on October 7, hours after Uzbekistan agreed to our carrying out search and rescue missions from Karshi-Khanabad airbase. All governments in the region provided blanket overflight rights, and Turkmenistan facilitated the transfer of some 40 percent of the humanitarian aid into Afghanistan in the first few months of the effort. While all countries offered airbases for the long-term prosecution of the war, Manas, the civilian airport serving Bishkek, was chosen for technical reasons to be the primary base for coalition air support for our troops in Afghanistan. We also obtained agreement to refuel aircraft at the Dushanbe and Ashgabat airports. We have no intention to build large, permanent U.S. bases in the region. We do, however, expect to use these facilities in Central Asia as long as conditions in Afghanistan require it. And we will want access for future contingencies and to be involved in training and joint exercises with the armed forces of these countries for the long-term.

The U.S. military action has disrupted al Qaeda, deprived it of its Afghan base, and greatly weakened its close ally, the IMU. This has given the countries of Central Asia some breathing space. But we know there is no alternative to continuing engagement with them. The terrorists could still regroup and bring intense suffering to the peoples of these countries and inflict catastrophic damage to the United States and its allies. But we must be more ambitious and attempt to deal with the fundamental problems of these countries. We are rethinking and intensifying our efforts to help them become stable, prosperous, and fully integrated members of the world community and the global economy. This will, of course, require them to carry out fundamental political, economic, and societal reforms. It will require a transformation of their thinking and actions from the Soviet mold that continues to dominate in much of the region. While we respect the unique legacies that shape the region, we have a pretty clear idea of what it takes for countries to prosper. Our policy is to try to encourage the governments to choose the proven path for development.

We have no doubt and emphasize it repeatedly that true security and stability, and eventual prosperity for these countries are inextricably linked to democratic and economic reforms, a healthy respect for human rights, rule of law, and a willingness to cooperate with each other. True economic reform is required for the creation of free-market economies not just tinkering around the edges. This, in turn, can unleash the entrepreneurial instincts of their well-educated populations, encourage foreign investment, and create the broad wealth that produces a stable middle class. We seek to impress on the leaders of these countries that promoting democratic reforms, independent media and a vibrant civil society will create citizens who feel that they have a voice in their own government and, thereby, an outlet for their frustrations. Given the sharp challenge posed by Islamic militants, democracy and respect for human rights are a necessity, not a luxury for these countries. We are quite clear that without democratic engagement and a hopeful economic future, the people of the region are capable of turning to other voices, voices of extremism and revolution.

Occasionally we hear the charge that we are downplaying human rights and democracy issues in Central Asia to ensure security cooperation in the region. These charges are flatly false. We believe firmly that these countries cannot make it to modern statehood without political reforms. How governments treat their people is key to winning the ideological battle. We have pressed and will continue to press human rights and good governance issues hard precisely because they are essential for the region's success. But success will not come easily or as quickly as we would like. The leaders of these former Soviet republics are a product of their own histories where command and control were the be-all and end-all of Soviet economic and political culture. Some of these leaders do indeed have a vision for a prosperous, democratic future, and we have actively sought to encourage these tendencies. But others, regrettably, are determined at all costs to maintain their power, and the ill-gotten wealth of their families and closest associates. Corrupt cronyism weighs like a millstone around the neck of some of these countries. That is one reason why too many are limping haltingly toward economic reform, because truly open, free-market economies would benefit the many rather than the few. That is why too many are deeply suspicious of allowing their citizens to have a voice in how they are governed. That is why we see too many abuses of human rights. And that is why we have seen precious few cases of free and fair multi-candidate elections in these countries.

And so the United States must maintain a carefully calibrated policy in this strategic region that includes both sustained positive engagement when leaders embrace reform, and negative engagement when they step backward. Regional cooperation does not come naturally to countries long subjected to divide and rule policies from the center. But it is essential to reverse the hardening of borders that occurred over the past decade as a result of extremist threats and misguided economic policies. We are working with each of the countries to develop modern

border controls that promote trade and interaction while inhibiting the trafficking in narcotics, persons, and the components of weapons of mass destruction.

Efforts by the central government in Afghanistan to tighten its control of the countryside offers the best hope in years of a major reduction in the flow of narcotics from the region. As part of the effort, we are stepping up our assistance in Central Asia to help stem the flow. This global scourge must be brought under control, and the Central Asians know that narcotics traffic breeds corruption, criminality, and addiction all along its path. We also encourage activities of the Central Asian Cooperation Organization and regional projects by the International Financial Institutions and others to tackle some of the deeply imbedded economic problems of the region, such as the environment and water, that can only be addressed on a regional level. We hope the recent increased security cooperation between the countries can be expanded into cooperation in economic and other areas.

Russia, China, Iran, Turkey and the key countries of South Asia all have natural interests in Central Asia. Our goal is to channel these interests, where possible, to benefit the entire region and to promote stability and prosperity in Central Asia. Cooperation of their neighbors is key to helping the countries there become economically viable and stable. The neighbors must come to see that their own interests demand a forward-looking approach that conforms to the needs of the 21st Century. It is no secret that our enhanced presence in the region following September 11, 2001, unsettled many in Moscow, Beijing, Tehran, and elsewhere who were and remain captives of the thinking of a century or two ago. We have carried on intense discussions with Moscow, in formal consultations led by Deputy Secretary Armitage as well as at lower levels, and with other capitals including Beijing, on our vision for the future of the region. The Central Asian countries not only want to preserve their independence, but they should be allowed to move toward prosperity without the disruptions brought on by the rivalry of outside powers. We also point out to the Central Asians the need to maintain good relations with their larger neighbors, to develop close economic ties with them, and to encourage investment from them. As we work to rebuild Afghanistan we want to encourage it also to develop close links with these countries. And, as always, we emphasize the importance of closer cooperation with the region to our friends in Europe.

In the past year, as a result of our intensified engagement, we have seen some surprising steps forward. Uzbekistan, which soon after September 11, 2001, was seen as the litmus test of our policy, has made some movement in the right direction. It has reengaged with the International Monetary Fund, and has taken tentative steps down the long road of reforming its command economy. The progress has sometimes been halting, but if Uzbekistan stays the course, it will reap the economic benefits. Likewise, Tashkent has taken modest steps toward reforming its human rights practices, perhaps most significantly in prosecuting and convicting officials who tortured prisoners to death. And, it has abolished prior censorship of the mass media though self-censorship remains a problem. These and other steps add up to modest progress, but they are obviously not sufficient. There is still far to go and we will continue to encourage progress.

Tajikistan, of which we hear too little, has emerged from its devastating civil war of 1992-1997, and has established a multi-party parliament incorporating many of its former Islamic foes in the government. The government is also extending its writ of authority throughout the country. And it is committed to fighting narco-trafficking. This year, Tajikistan has seized 260 tons of drugs — more than the rest of region combined. The Kyrgyz Republic has had its ups and down over the last ten years, but it clearly has the most vibrant civil society in all of Central Asia. President Akayev has publicly stated his willingness to engage with the opposition and is planning for a constitutional transfer of power at the end of his term in 2005. You can expect the full engagement of President Bush and other U.S. leaders on these issues during President Akayev's visit to Washington next week.

Throughout the post-independence period, Kazakhstan has led the region in market reform and political openness. The economic picture remains bright. Careful development of new oil and gas resources in the Caspian could make Kazakhstan one of the world's leading oil producers in a few years.

Delimitation of Caspian boundaries with Russia and the opening of the BTC pipeline have enhanced Kazakhstan's prospects. Unfortunately, recent democracy trends have been negative. Sadly, the government of Kazakhstan has become increasingly intolerant in recent months of media criticism and political opposition. We have been quite firm in urging President Nazarbayev and his government to reverse this trend. We regret that the leadership of Turkmenistan has veered into what appears to be a dead-end. The people of Turkmenistan are suffering for it. But even there, we can see the beginnings of civil society where citizens are forming non-governmental organizations to tackle social, environmental, and other problems. We hope that these seeds of a more open society will take root and flourish in the years to come.

We press the leadership of these countries to move forward with economic and political reforms at every opportunity and encourage them to create the institutions necessary to that end. At the same time, it is important for opposition groups to act responsibly as they seek to advance their own goals. The countries of the Caucasus, too, share many of the same challenges we face in Central Asia, although there are several unique problems that should be noted.

Apart from the corrosive corruption that permeates the country, Georgia faces significant security problems that threaten its sovereignty and territorial integrity. The presence in the crime-ridden Pankisi Gorge of international terrorists with links to al Qaeda is of serious concern. The United States is helping Georgia address its internal security problem through various assistance programs, including the Train and Equip Program or the Georgian military. This assistance is intended to help the Government of Georgia deny the use of its territory to foreign terrorists and build strong democratic institutions.

Moscow's rhetorical campaign against Tbilisi and its occasional violation of Georgia's territorial integrity are clearly not acceptable. We have worked and will continue to work intensively with Russia and Georgia to solve the very real security problems in this region and to de-escalate the tensions between Moscow and Tbilisi. The armed conflict over Nagorno-Karabakh ended eight years ago, but the failure to establish peace keeps Armenia and Azerbaijan shackled and unable to realize their full potential. The costs to the people of both sides are enormous, including the lost opportunity to get on with building modern societies. We continue to work with Russia and France in the Minsk Group and with the two governments concerned to help promote a solution. We have taken a major step forward recently in engaging both Azerbaijan and Armenia. From 1992 until 2001, the assistance we could give the government of Azerbaijan was severely constrained by Section 907 of the *Freedom Support Act*. We could engage in democracy and humanitarian programs, but were unable to engage in most forms of security cooperation as well as intelligence and law enforcement cooperation.

To take full advantage of Azerbaijan's offers of vital assistance after September 11, 2001, Congress granted the President the authority to waive Section 907, which he did for the first time this past January. This also made it possible to move forward with Armenia on military cooperation. Today, our engagement with both Armenia and Azerbaijan is moving ahead and we hope it will strengthen possibilities for lasting peace. Turkey has a positive role to play in the Caucasus and also in Central Asia. We have welcomed the recent development of trilateral ministerial involving Turkey, Armenia and Azerbaijan. We encourage Turkey and Armenia to continue to work toward normalized relations and an opening of their borders, without which prosperity for the entire region will be handicapped. Likewise, given Turkey's historic ties to

Central Asia and the linkages created by oil and gas pipelines, we look for Turkey to play an increasingly helpful role in the region.

In the Caucasus, as well as in Central Asia, we believe the European Union can become more active, increasing both its assistance and diplomatic influence. Central Asia and the Caucasus are indeed a complex challenge for the United States. But September 11, 2001, made it obvious that we had to meet that challenge. As we have told the leaders of each and every one of these countries: the United States is in this for the long haul. We have committed ourselves to a qualitatively new relationship with these countries.

We will be a force for fundamental change, even if in many cases that change comes more slowly than we would like. We, and the countries of these regions, have no real choice. The way to make these countries stable, secure, and prosperous is through movement toward democratic governments that respect human rights and the rule of law, and economic reform that integrates them more fully into the global economy. We can, and will, be there to help them in this endeavor.